

This Listing Statement is compiled by the Exchange from documents filed by the Company in making application for listing. It is issued for the information of members, member firms and member corporations of the Exchange. It is not and is not to be construed as a prospectus. The Exchange has received no consideration in connection with the issue of this Listing Statement other than the customary listing fee. The documents referred to above are open for inspection at the general office of the Exchange.

LISTING STATEMENT No. 2201

LISTED APRIL 6, 1965

1,712,265 Common shares without par value, of which 435,054 are subject to issuance.  
 Ticker abbreviation "RPC"  
 Dial ticker number 1412  
 Post section 1.3

(NOTE: The Company's Preference Shares Series A were listed on January 22, 1962 with ticker abbreviation RPC, PR, details of which were disclosed in Listing Statement No. 2090)

# THE TORONTO STOCK EXCHANGE

## LISTING STATEMENT

### REVENUE PROPERTIES COMPANY LIMITED

Incorporated under the laws of the Province of Ontario  
 by Letters Patent dated August 24, 1961

~~1,712,265~~ COMMON SHARES WITHOUT PAR VALUE

(Transferable in Toronto, Montreal and Winnipeg)

CAPITALIZATION AS AT MARCH 26, 1965

SHARE CAPITAL	AUTHORIZED	ISSUED AND OUTSTANDING	LISTED AND/OR TO BE LISTED
First Preference Shares with a par value of \$20 each, issuable in series .....	99,880		
Series A .....	54,880	54,880	54,880*
Second Preference Shares with a par value of \$10 each .....	250,000**	62,102 <sup>20/40</sup>	Nil
Common Shares without par value .....	2,500,300	1,277,211	1,712,265***

#### DEBT SECURITIES

6½ % First Mortgage Sinking Fund Bonds, Series A .....	1,500,000	1,470,000	Nil
6½ % Sinking Fund Debentures, Series A .....	2,500,000	2,350,000	Nil

\* the First Preference Shares, Series A were listed January 22, 1962.

\*\* of which 19,266<sup>33/40</sup> Second Preference Shares are subject to issuance.

\*\*\* of which 435,054 Common Shares are subject to issuance.

March 26, 1965

1.

#### APPLICATION

REVENUE PROPERTIES COMPANY LIMITED (herein called the "Company") hereby makes application for the listing on The Toronto Stock Exchange of 1,712,265 Common Shares without par value, of which 1,277,211 Common Shares are issued as fully paid and non-assessable, and an aggregate of 435,054 Common Shares are issuable as follows: 137,200 upon the conversion of Series A First Preference Shares;



246,175 upon the exercise of outstanding Common Share Purchase Warrants, 16,679 upon the exercise of rights warrants referred to in the prospectus hereinafter mentioned, 10,000 upon the exercise of an employees stock option referred to in the said prospectus and 25,000 pursuant to an agreement of purchase and sale, as referred to in the said prospectus, between the Company and one of its officers.

## 2. REFERENCE TO THE PROSPECTUS

Reference is hereby made to the attached prospectus issued by the Company under date of March 11, 1965, with respect to the issuance by the Company to the holders of its Common Shares of record on March 12, 1965 of rights to purchase Common Shares of the Company and with respect to the public offering of the Common Shares issuable upon the exercise of such rights or pursuant to the underwriting agreement relating thereto, a copy of which prospectus is hereby incorporated in this application and made part hereof.

## 3. OPINION OF COUNSEL

Messrs. Campbell & Rogers, 10th Floor, 372 Bay Street, Toronto, Ontario, and Messrs. Borden, Elliot, Kelley & Palmer, 250 University Avenue, Toronto, Ontario, counsel for the Company, are filing in support of this application opinions stating, among other things, that (i) the Company is duly incorporated and is a valid and subsisting corporation in good standing under the laws of the Province of Ontario; (ii) the authorized capital of the Company consists of 99,880 First Preference Shares with a par value of \$20 each, issuable in series, of which 54,880 shares, designated as 6½% Cumulative Redeemable Convertible Participating First Preference Shares, Series A, constituting the first series, have been issued and are outstanding as fully paid and non-assessable, 250,000 6% Cumulative Redeemable Second Preference Shares with a par value of \$10 each, of which 62,102½ shares have been issued and are outstanding as fully paid and non-assessable, and 2,500,300 Common Shares without par value, of which 1,277,211 shares have been issued, are outstanding as fully paid and non-assessable.

## 4. SHARE PROVISIONS AND VOTING POWERS

Reference is made to paragraphs 7 and 8 of the Statutory Information forming part of the attached prospectus. Since the date of such prospectus 120 Series A First Preference Shares have been converted, in accordance with the conversion rights attaching thereto, into 300 Common Shares without par value in the capital stock of the Company.

## 5. DIVIDEND RECORD

Series A First Preference Shares:

An initial dividend of 22.8¢ per share was paid on the 55,000 6½% Cumulative Redeemable Convertible Participating First Preference Shares, Series A, in respect of the broken period ending on February 15, 1962 and regular quarterly preferential dividends of 32.5¢ per share have been paid on each quarterly dividend payment date thereafter to and including February 15, 1965.

RIDER 2A

In addition to such regular preferential dividends a participating dividend of 48¢ per share was paid on May 15, 1963 and further participating dividend of 67¢ per share was paid on May 15, 1964.

Second Preference Shares:

All preferential dividends have been paid on the 6% Cumulative Redeemable Second Preference Shares with a par value of \$10 each at the stipulated rate of 6% per annum representing an aggregate payment of \$7,745.50.

Common Shares:

An initial dividend of one-fortieth of one Second Preference Share was paid on each Common Share on September 15, 1964 and a further dividend of one-fortieth of one Second Preference Share was paid on March 15, 1965 on each Common Share of record on February 26, 1965.

## 6. SHARES ISSUED SINCE INCORPORATION

DATE OF ISSUE	NO. OF SHARES ISSUED	AMOUNT REALIZED PER SHARE	TOTAL AMOUNT REALIZED	PURPOSE OF ISSUED
(a) Series A First Preference Shares:				
Dec. 14, 1961	55,000	\$18.00	\$ 990,000	Retirement of Mortgages.
(b) Second Preference Shares:				
Sept. 15, 1964	31,015	Nil	Nil	Issued as dividends on Common Shares.
Mar. 15, 1965	31,087½	Nil	Nil	
(c) Common Shares:				
Aug. 25, 1961	10,000	\$ 4.85	\$ 48,500	Initial Capital.
Dec. 14, 1961	190,000	4.78	909,500	Retirement of Mortgages.
Dec. 14, 1961	1,040,000	5.00*	5,200,000*	*Issued in consideration of \$5,200,000 of the purchase price of real property purchased by the Company.



*This prospectus is not, and under no circumstances is to be construed as, an offering of the said shares for sale in, or to any person resident in, the United States of America.*

## **NEW ISSUE**

# **Revenue Properties Company Limited**

(Incorporated under the laws of the Province of Ontario)

## **49,736\* Common Shares**

**without par value**

\*(Subject to increase to not more than 65,060 Common Shares if, on or prior to the March 12, 1965 record date hereinafter mentioned, the share purchase warrants referred to in paragraph 9 (b) of the accompanying Statutory Information and the conversion privileges attaching to the Series A First Preference Shares referred to in paragraph 8 (9) of such Statutory Information are all fully exercised.)

---

### **Offer to Holders of Common Shares**

The Company is issuing to the holders of its Common Shares of record at the close of business on March 12, 1965, rights evidenced by transferable subscription Warrants to subscribe for one additional Common Share at the price of \$8 for each 25 Common Shares then held. Subscriptions will not be accepted from residents of the United States of America or any territories or possessions thereof but the Company understands that such shareholders may sell their rights in Canada. The right to subscribe for Common Shares evidenced by the Warrants will expire at 4:30 p.m. (Eastern Standard Time) on April 12, 1965 after which time unexercised Warrants will be void.

Listing of the Common Shares on The Toronto Stock Exchange has been granted, subject to filing of documents and evidence of satisfactory distribution.

---

### **Transfer Agent and Registrar:**

National Trust Company, Limited

---

McConnell & Company Limited and Walwyn, Stodgell & Co. Limited (hereinafter collectively called the "Underwriters") have agreed, in the underwriting agreement referred to in paragraph 16 of the accompanying Statutory Information, to purchase any Common Shares covered by the Warrants and not subscribed for pursuant thereto, subject to the approval of all legal matters by John R. Campbell, Q.C., and Messrs. Borden, Elliot, Kelley & Palmer, Toronto, on behalf of the Company and by Messrs. Osler, Hoskin & Harcourt, Toronto, on behalf of the Underwriters.

---

The holders of the Common Shares referred to in paragraph 30 of the accompanying Statutory Information have agreed to assign to the Underwriters forthwith upon their issue 920,000 rights, being all of the rights to be issued by the Company to such holders.

The Common Shares taken up by the Underwriters upon the exercise, in whole or in part, of such 920,000 rights and the Common Shares, if any, acquired by the Underwriters pursuant to the said underwriting agreement, may be offered for public or private sale, before or after the expiry of the period within which the rights are exercisable, by the Underwriters, as principals, at a price of \$8 per share.

Any Common Shares acquired by the Underwriters upon the exercise of rights, other than the said 920,000 rights, may, as disclosed in paragraph 12 of the accompanying Statutory Information, be offered by the Underwriters as principals for public or private sale, before or after the expiry of the period within which the rights are exercisable, at a price not to exceed \$8.50 per share.

---



The President of the Company has supplied the following information in connection with the sale of the securities offered by this prospectus.

### The Company

Revenue Properties Company Limited (herein sometimes referred to as the "Company") was incorporated under the laws of the Province of Ontario on August 24, 1961.

The principal business in which the Company is engaged is the ownership and operation of revenue producing real estate. At the date hereof the Company owns and operates 64 industrial and commercial properties in Canada, presently leased to approximately 195 tenants. The Company, through a subsidiary, One Thirty One Bloor West Limited, owns and operates the commercial and residential building known as The Colonnade.

The Company owns all of the common stock of The Rubin Corporation Limited, which directly and through subsidiaries and affiliated companies is actively engaged in Canada in a broad range of real estate development activities and which during 1962 organized and took an 80% interest in Urban Properties, Inc., a corporation, formed in the United States to participate in urban redevelopment in that country, which has been selected to undertake two redevelopment projects in Pittsburgh, Pennsylvania, and another in Buffalo, New York.

### Purpose of Issue

The principal purpose of the issue is to achieve the distribution necessary to fulfil the listing requirements of The Toronto Stock Exchange, and net proceeds of the issue will be added to the working capital of the Company and be available for further expansion through the acquisition of additional revenue producing real estate.

### Capitalization and Pro Forma Capitalization as at December 31, 1964<sup>(1)</sup>

6½% First Mortgage Sinking Fund Bonds, Series A, maturing August 1, 1983.....	\$ 1,470,000	\$ 1,470,000
6½% Sinking Fund Debentures, Series A, maturing November 15, 1973..	2,350,000	2,350,000
6½% Cumulative Redeemable Convertible Participating First Preference Shares, Series A—55,000 shares of \$20 par value.....	1,100,000	1,100,000
6% Cumulative Redeemable Second Preference Shares—31,015 shares of \$10 par value.....	310,150 <sup>(2)</sup>	310,150
Common Shares—1,242,600 shares without par value issued for.....	6,171,000 <sup>(2)</sup>	
—1,292,336 shares without par value issued for.....		6,568,888
Total.....	\$11,401,150	\$11,799,038

(1) Reference is made to Note 11 of the accompanying Balance Sheet and Pro Forma Balance Sheet of the Company for the basis for the above Pro Forma figures.

(2) Reference is made to Notes 4, 5 and 7 of the said Balance Sheet and Pro Forma Balance Sheet for statements of the Second Preference Shares reserved for issuance as stock dividends and of the Common Shares reserved for issuance upon the exercise of Common Share Purchase Warrants and upon conversion of Series A First Preference Shares.

### Management

The management of the Company is headed by Alex J. Rubin, President and Chairman of the Board, and Harry Rubin, Executive Vice-President and Treasurer, each of whom though still in his early forties has over twelve years of experience in real estate development and planning.

### Outlook

Demographic and business trends indicate continued growth in the demand for housing accommodation, and industrial and commercial space. The Company has demonstrated its ability to operate efficiently and profitably, and its management and board of directors provide the experience and judgement necessary for sound growth.

Profits to date have been sufficient in themselves to justify the prevailing market prices of the Company's securities. In addition, increases in the market values of properties developed and retained have added substantially to the value of the common stock. It is reasonable to expect that the present rate of earnings will be continued and increased as retained cash flow is reinvested.

### Dividend Policy

It is the present intention of the Board of Directors of the Company, if from time to time they consider it advisable, that dividends in the form of 6% Cumulative Redeemable Second Preference Shares with a par value of \$10 each will be distributed half-yearly to the holders of the Common Shares. An initial dividend of 1/40 of one such Second Preference Share was paid on each Common Share on September 15, 1964 and a further dividend of 1/40 of one such Second Preference Share has been declared payable on March 15, 1965 on each Common Share of record on February 26, 1965.

Under the terms of the share purchase warrants issued with the Series A Debentures of the Company, a warrant holder is entitled to receive at the time he exercises his warrants, in addition to the Common Shares resulting from such exercise, stock dividends on each such Common Share equal to the aggregate of the stock dividends which would have been declared and paid on each such Common Share if it had been outstanding throughout the period from the date of such warrants, November 15, 1961, to the date of his exercise thereof.

As disclosed more fully in clause (9) (d) of paragraph 8 of the Statutory Information, a holder of Series A First Preference Shares is entitled to receive at the time he exercises his right of conversion, in addition to the Common Shares resulting from such conversion, stock dividends equal to the aggregate of the stock dividends which would have been declared and paid on each such Common Share if it had been outstanding from the date of the issuance of such Series A First Preference Shares.



# Revenue Properties Company Limited

## Statement of Earnings

For the Seventeen day period ended December 31, 1961, and the three years ended December 31, 1964

	Earnings after deducting all operating and administrative expenses, but before charging interest, amortization of debenture and first mortgage bond discount and depreciation, and including the proceeds of redemption of stock dividends received (Note 1)	Interest on mortgages	Interest on debentures	Interest on first mortgage bonds	Amortization of debenture and first mortgage bond discounts	Allowance for depreciation (Note 2)	Net earnings (Note 1)
For the seventeen day period ended December 31, 1961	\$ 57,290	\$ 16,932	\$ 7,568	\$ —	\$ 781	\$ 14,963	\$ 17,046
For the year ended December 31, 1962	1,550,973	553,828	159,250	—	6,256	324,472	507,167
For the year ended December 31, 1963	1,754,042	492,445	157,207	38,648	7,969	324,472	733,301
For the year ended December 31, 1964	2,426,327	570,068	154,408	95,550	10,375	338,377	1,257,549

## Notes to Statement of Earnings

1. Net earnings for the years 1962, 1963 and 1964 include receipts by the Company from its wholly owned subsidiary, The Rubin Corporation Limited, of \$200,000, \$500,000 and \$900,000 respectively, and represent the proceeds received on the redemption of preference shares of that subsidiary received as stock dividends.
2. The allowance for depreciation has been taken at the rate of 2½% per annum on the cost of the depreciable improvements to the properties which is the rate required to be used in determining "consolidated net earnings" of the Company in accordance with the provisions attaching to the Series A Preference Shares and in determining the net income to the Company in accordance with the definition of "net income to the Company" in the Trust Deed securing the 6½% First Mortgage Sinking Fund Bonds, Series A. For tax purposes, however, capital cost allowance has been claimed at the maximum rates allowed under the Income Tax Act and exceeds the allowance for depreciation by \$315,000 for the year and by an accumulated amount of \$1,135,000 to December 31, 1964. As a result of claiming additional capital cost allowances, corporation income taxes otherwise payable have been reduced by an accumulated amount of approximately \$425,000 to December 31, 1964. The Company, as at December 31, 1964, had a tax loss of approximately \$285,000, which may be applied against the profits earned by the Company in future years. In the ordinary course of the Company's business it will from time to time acquire additional properties and therefore it may continue to have similar tax savings in future years.

## Auditors' Report

To the Directors,  
REVENUE PROPERTIES COMPANY LIMITED

We have examined the accompanying statement of earnings of Revenue Properties Company Limited for the seventeen day period ended December 31, 1961 and the three years ended December 31, 1964. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion the accompanying statement of earnings of Revenue Properties Company Limited presents fairly the earnings of the Company for the seventeen day period ended December 31, 1961 and the three years ended December 31, 1964 in accordance with generally accepted accounting principles applied on a consistent basis.

Toronto, Ontario  
March 11, 1965.

(Signed) PERLMUTTER, ORENSTEIN, GIDDENS, NEWMAN & KOFMAN,  
Chartered Accountants.

# Revenue Properties Company Limited

## Balance Sheet and Pro Forma Balance Sheet as at December 31, 1964

ASSETS	Balance Sheet	Pro Forma Balance Sheet (Note 11)
Cash.....	\$ 1,902,485	\$ 2,265,505
Prepaid realty taxes, insurance and sundry assets.....	157,134	157,134
Note receivable.....	150,000	150,000
Mortgage receivable.....	600,000	600,000
Investment in wholly owned subsidiary companies at cost (note 1)		
Shares.....	920,077	920,077
Notes receivable.....	1,406,000	1,406,000
Real estate at cost less accumulated depreciation of \$1,002,284.....	16,205,300	16,205,300
Debenture and first mortgage bond discount and financing expenses less amount amortized.....	182,882	217,750
Organization expenses less amount amortized.....	130,839	130,839
Total assets.....	<u>\$21,654,717</u>	<u>\$22,052,605</u>
LIABILITIES		
Accounts payable and accrued liabilities.....	\$ 349,165	\$ 349,165
Tenants' rental deposits.....	32,153	32,153
Mortgages payable on real estate (note 2).....	7,986,514	7,986,514
6½% First Mortgage Sinking Fund Bonds, Series A, due August 1, 1983 (note 3).....	1,470,000	1,470,000
6½% Sinking Fund Debentures, Series A, due November 15, 1973 (note 4).....	2,350,000	2,350,000
Total liabilities.....	<u>\$12,187,832</u>	<u>\$12,187,832</u>
SHAREHOLDERS' EQUITY		
CAPITAL STOCK (notes 5, 6, 7)		
First Preference Shares		
Authorized—100,000 Shares with a par value of \$20 each; issuable in series		
Issued and fully paid—55,000 6½% Cumulative Redeemable Convertible		
Participating Shares, Series A.....	\$ 1,100,000	\$ 1,100,000
Second Preference Shares		
Authorized—250,000 6% Cumulative Redeemable Shares with a par value		
of \$10 each		
Issued and fully paid—31,015 Shares.....	310,150	310,150
Common Shares		
Authorized—2,500,000 Shares without par value		
Issued and fully paid—Balance Sheet—1,242,600 Shares.....	\$ 6,171,000	
—Pro Forma Balance Sheet—1,292,336 Shares....		\$ 6,568,888
	<u>\$ 7,581,150</u>	<u>\$ 7,979,038</u>
RETAINED EARNINGS.....	\$ 1,789,045	\$ 1,789,015
Reserve for Second Preference Shares to be issued as Stock Dividends (notes 6 and 7).....	\$ 96,720	\$ 96,720
	<u>\$21,654,717</u>	<u>\$22,052,605</u>

Approved on behalf of the Board:

(Signed) ALEX J. RUBIN, Director

(Signed) JOHN R. CAMPBELL, Director

*The accompanying notes are an integral part of the financial statements.*



# Revenue Properties Company Limited

## Notes to the Balance Sheet and Pro Forma Balance Sheet as at December 31, 1964

### 1. INVESTMENT IN WHOLLY OWNED SUBSIDIARIES—\$2,326,077

The operations of the wholly-owned subsidiary companies, The Rubin Corporation Limited and One Thirty One Bloor West Limited, are primarily real estate development and management and are materially different from those of the Company which are real estate investment. In addition, the subsidiaries are not "consolidated subsidiaries" as defined in the Trust Deeds for the 6½% Sinking Fund Debentures, Series A and the 6½% First Mortgage Sinking Fund Bonds, Series A, and the provisions attaching to the 6½% Cumulative Redeemable Convertible Participating First Preference Shares, Series A; therefore, the accounts of the subsidiary companies are not consolidated herein. The earnings of these companies amounted to \$942,139 for the year ended December 31, 1964, and the accumulated undistributed earnings of the subsidiaries as at December 31, 1964 amounted to \$142,852 after paying \$900,000 to the Company during the year. The notes receivable from the subsidiaries are payable on demand.

### 2. MORTGAGES PAYABLE ON REAL ESTATE—\$7,986,514

The mortgages bear interest at rates ranging from 5¼% to 7¼% and mature at various dates over the next 20 years, and are repayable as to principal approximately as follows:

Fiscal years ending December 31, 1965.....	\$1,571,394
1966.....	1,663,601
1967.....	686,001
1968.....	488,091
1969.....	488,334
1970.....	468,910
1971.....	397,744
1972.....	395,806
1973.....	284,498
Subsequent to December 31, 1973.....	1,542,135

The principal repayments are based upon the amortization term of the mortgages, and while certain mortgages fall due in advance of the full term of amortization, the Company's experience has shown that balances outstanding at the maturity date can be extended to the end of the amortization period upon similar terms of repayment. Short term mortgages maturing in 1965 in amount of \$1,120,000, in 1966 in amount of \$1,190,000 and in 1967 in amount of \$160,000 are in the opinion of management renewable at maturity on similar terms of repayment.

### 3. 6½% FIRST MORTGAGE SINKING FUND BONDS, SERIES A—\$1,470,000

The 6½% First Mortgage Sinking Fund Bonds, Series A, were issued pursuant to a Trust Deed which provides for the issuance of additional Bonds in one or more other series without limitation as to aggregate principal amount and in such currency or currencies as may be determined by the Company subject, however, to the provisions of the said Trust Deed. The Company covenanted for the benefit of the holders of the Series A Bonds to retire in each of the years 1964 to 1982 inclusive by purchase for cancellation or by redemption by call for the purpose of a Sinking Fund, a principal amount of Series A Bonds equal to the total of 2% of the principal amount of all Series A Bonds issued plus the interest which would have accrued on or prior to August 1 in each year on all Series A Bonds purchased for cancellation or redeemed.

### 4. 6½% SINKING FUND DEBENTURES, SERIES A—\$2,350,000

The 6½% Sinking Fund Debentures, Series A, when originally issued were accompanied by share purchase warrants entitling the registered holders thereof to purchase 100 Common Shares without par value in the capital of the Company in respect of each \$1,000 principal amount of such 6½% Sinking Fund Debentures, Series A. Such share purchase warrants entitle the holders thereof to purchase Common Shares at \$5 per share if exercised on or before November 15, 1966, such price increasing thereafter by 25¢ per Share for each year commenced or elapsed from November 15, 1966 to the date of exercise provided that the said warrants will expire on November 15, 1973 or on the expiration of two years following the retirement of all such Debentures, whichever shall be earlier. Under the terms of the share purchase warrants issued with the Series A Debentures of the Company, a warrant holder is entitled to receive at the time he exercises his warrants, in addition to the Common Shares resulting from such exercise, stock dividends on each such Common Share equal to the aggregate of the stock dividends which would have been declared and paid on each such Common Share if it had been outstanding throughout the period from the date of such warrants, November 15, 1961, to the date of his exercise thereof.

### 5. 6½% CUMULATIVE REDEEMABLE CONVERTIBLE PARTICIPATING FIRST PREFERENCE SHARES, SERIES A—\$1,100,000

In accordance with the provisions attaching to the 6½% Cumulative Redeemable Convertible Participating First Preference Shares, Series A, so long as any of the said shares are outstanding, the Company shall on or before the 15th day of November, in each year, commencing with the year 1962, set aside as a purchase fund for the purchase of Series A First Preference Shares for cancellation the sum of \$30,000 up to a maximum amount of the lesser of \$90,000 or 15% of the aggregate par value of the Series A First Preference Shares outstanding on the first day of October in each year. A holder of Series A First Preference Shares is entitled in respect of each such share held to 30 votes at all meetings of the shareholders of the Company. A holder of Series A First Preference Shares is entitled to receive at the time he exercises his right of conversion, in addition to the Common Shares resulting from such conversion, stock dividends equal to the aggregate of the stock dividends which would have been declared and paid on each such Common Share if it had been outstanding from the date of the issuance of such Series A First Preference Shares.

### 6. STOCK DIVIDENDS

On May 25, 1964 Supplementary Letters Patent were obtained creating 250,000 6% Cumulative Redeemable Second Preference Shares with a par value of \$10 each of which 31,015 Shares were issued as stock dividends to the holders of the Common Shares. 50 Second Preference Shares are to be issued to holders of Common Shares who exercised Common Share Purchase Warrants during the year.



## Revenue Properties Company Limited

### Notes to the Balance Sheet and Pro Forma Balance Sheet as at December 31, 1964—(continued)

#### 7. SHARES RESERVED FOR ISSUANCE AND CONVERSION PRIVILEGES

247,400 Common Shares are reserved for issue pursuant to the share warrants referred to in Note 4 and 2,600 Common Shares were issued during the year for a net aggregate consideration of \$13,000 pursuant to such share warrants which had been exercised. The 6½% Cumulative Redeemable Convertible Participating First Preference Shares, Series A, are convertible into a maximum of 137,500 Common Shares. 6,185 Second Preference Shares are reserved for issuance as dividends, in accordance with the provisions relating to stock dividends referred to in Note 4, upon the exercise of Common Share Purchase Warrants and 3,437 Second Preference Shares are reserved for issuance as dividends, in accordance with the provisions relating to stock dividends referred to in the last sentence of Note 5, upon the conversion of Series A First Preference Shares into Common Shares.

#### 8. RESTRICTIONS ON PAYMENT OF DIVIDENDS ON SHARES

The Trust Deed for the 6½% First Mortgage Sinking Fund Bonds, Series A, and the provisions attaching to the 6½% Cumulative Redeemable Convertible Participating First Preference Shares, Series A, contain certain restrictions on the payment of dividends on shares ranking junior thereto.

#### 9. RIGHTS OF EMPLOYEES TO COMMON SHARES

The Company has granted an option to an officer of the Company for the purchase of 10,000 Common Shares at the price of \$6 per share exercisable for a 5 year period in each case as to 2,000 shares for each of five years commencing September 17, 1963 that he remains in the employment of the Company, the option on the last 2,000 shares expiring on September 16, 1972.

The Company has also agreed to allot and issue to an officer of the Company, and the officer agreed to take up and pay for an aggregate of 25,000 Common Shares at the price of \$6 per share. Under such agreement, subject to provisions applying in the event of death or termination of employment, the officer is entitled to purchase 5,000 of the said Common Shares on May 14 in each of the years 1963 to 1967, both inclusive, and must take up and pay for each such instalment of 5,000 Common Shares within five years of becoming entitled to purchase such instalment. To date the officer has not taken up or paid for any of the said 25,000 Common Shares.

#### 10. CONTINGENT LIABILITIES

The Company is contingently liable as guarantor of liabilities of a subsidiary in the amount of approximately \$1,075,000.

#### 11. PRO FORMA TRANSACTIONS

The pro forma balance sheet gives effect to

- (a) The issue and sale of 49,736 Common Shares without par value for an aggregate consideration of \$397,888 less payment of a commission of \$24,868.
- (b) The payment of legal, audit and other expenses of the issue estimated at \$10,000.

### Auditors' Report

To the Directors,

REVENUE PROPERTIES COMPANY LIMITED

We have examined the balance sheet and pro forma balance sheet of Revenue Properties Company Limited as at December 31, 1964. Our examination included a general review of the accounting procedures and such tests of the accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion (a) the accompanying balance sheet of Revenue Properties Company Limited presents fairly the financial position of the Company as at December 31, 1964 in accordance with generally accepted accounting principles applied on a consistent basis and (b) the accompanying pro forma balance sheet of Revenue Properties Company Limited presents fairly the financial position of the Company as at December 31, 1964 in accordance with generally accepted accounting principles after giving effect to the transactions as set out in Note 11.

Toronto, Ontario.  
March 11, 1965.

(Signed) PERLMUTTER, ORENSTEIN, GIDDENS, NEWMAN & KOFMAN,  
Chartered Accountants.



**The Rubin Corporation Limited  
and its Wholly Owned Subsidiaries  
and  
One Thirty One Bloor West Limited**

**Combined Statement of Earnings  
For the Four Years Ended December 31, 1964**

	Earnings after deducting all operating expenses but before interest and depreciation (Note 3)	Interest on mortgages and loans	Depreciation	Net earnings
For the year ended December 31, 1961..	(\$ 5,821)			(\$ 5,821)
For the year ended December 31, 1962..	309,221	\$ 52,981	\$ 16,045	240,195
For the year ended December 31, 1963..	1,333,781	601,401	166,042	566,338
For the year ended December 31, 1964..	1,944,842	812,073	190,630	942,139

**Notes to the Combined Statement of Earnings  
For the Four Years Ended December 31, 1964**

1. During each of the years 1962, 1963 and 1964 The Rubin Corporation Limited declared stock dividends of First Preference Shares to its parent company, Revenue Properties Company Limited, of \$200,000, \$500,000 and \$900,000 respectively and capitalized sufficient of its retained earnings in each of the years as was necessary to pay in full for said shares. In each of the years The Rubin Corporation Limited redeemed the First Preference Shares issued as stock dividends.
2. The allowance for depreciation has been taken at the rate of 2½% per annum on the cost of depreciable improvements to property. For tax purposes, however, The Rubin Corporation Limited proposes to claim depreciation on these assets at the maximum rates allowed under the Income Tax Act which exceeds the allowance for depreciation by \$150,462 for the year and by an accumulated amount of \$816,415 to December 31, 1964. In addition The Rubin Corporation Limited proposes to claim for income tax purposes interest and other carrying charges which have been capitalized in the accounts.  
As a result of the foregoing, The Rubin Corporation Limited has a tax loss of approximately \$910,466 which may be applied against the profits earned by The Rubin Corporation Limited in future years.
3. One Thirty One Bloor West Limited owns and operates a commercial and residential building which was under construction until December 1964 and accordingly its operations did not commence until January 1, 1965.

**Auditors' Report**

To the Directors,  
THE RUBIN CORPORATION LIMITED AND  
ONE THIRTY ONE BLOOR WEST LIMITED

We have examined the accompanying combined statement of earnings of The Rubin Corporation Limited and its wholly owned subsidiaries and One Thirty One Bloor West Limited for the four year period ended December 31, 1964. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion the accompanying combined statement of earnings of The Rubin Corporation Limited and its wholly owned subsidiaries and One Thirty One Bloor West Limited presents fairly the combined earnings of the companies for the four years ended December 31, 1964 in accordance with generally accepted accounting principles applied on a consistent basis.

Toronto, Ontario  
March 11, 1965.

(Signed) PERLMUTTER, ORENSTEIN, GIDDENS, NEWMAN & KOFMAN,  
Chartered Accountants.



**The Rubin Corporation Limited  
And Its Wholly Owned Subsidiaries  
and  
One Thirty One Bloor West Limited**

**Combined Balance Sheet  
as at December 31, 1964**

**ASSETS**

ACCOUNTS, NOTES AND RENTS RECEIVABLE.....			\$ 727,875
REAL ESTATE UNDER DEVELOPMENT AT COST			
Land.....	\$ 4,563,726		
Construction costs.....	5,247,359		
	<u>\$ 9,811,085</u>		
Less—Balance due re purchase of land.....	\$ 518,738		
Mortgages (note 2).....	5,595,976	6,114,714	3,696,371
PREPAID EXPENSES AND SUNDRY ASSETS.....			326,163
INVESTMENT IN AND ADVANCES TO AFFILIATED COMPANIES AT COST			
Shares.....	\$ 301,726		
Accounts and notes receivable.....	892,682		
Mortgages receivable.....	1,065,271		
	<u>\$ 2,259,679</u>		
Less—Secured Loans (note 2).....	856,000		1,403,679
MORTGAGES RECEIVABLE			
Yorkwoods Village and Peel Estates Housing Trusts (note 1).....	\$ 1,675,640		
Other.....	1,317,509		
	<u>2,993,149</u>		
Less—Secured Loans (note 2).....	1,649,000		1,344,149
REVENUE PRODUCING REAL ESTATE AT COST LESS ACCUMULATED DEPRECIATION OF \$330,256.....	\$15,573,668		
Less—Mortgages (note 2).....	12,350,858		3,222,810
FURNITURE AND EQUIPMENT AT COST LESS ACCUMULATED DEPRECIATION OF \$14,038.....			68,999
EXCESS OF COST OF SHARES OF SUBSIDIARIES OVER BOOK VALUE AT DATE OF ACQUISITION.....			96,322
			<u><u>\$10,886,368</u></u>

Approved on behalf of the Board of The Rubin Corporation Limited:

(Signed) ALEX J. RUBIN, Director

(Signed) JOHN R. CAMPBELL, Director

*The accompanying notes are an integral part of the financial statements.*



**The Rubin Corporation Limited**  
**And Its Wholly Owned Subsidiaries**  
**and**  
**One Thirty One Bloor West Limited**

**Combined Balance Sheet**  
**as at December 31, 1964**

LIABILITIES

BANK INDEBTEDNESS (secured) (note 3).....	\$ 2,719,123	
ACCOUNTS PAYABLE AND ACCRUED LIABILITIES.....	3,064,420	
NOTES PAYABLE (note 4).....	150,000	
TENANTS' SECURITY AND OTHER DEPOSITS.....	100,981	
NOTES PAYABLE, PARENT COMPANY.....	1,406,000	
LOANS FROM DIRECTORS.....	681,790	
	<u>\$ 8,122,314</u>	
DEFERRED INCOME RE SALES OF REAL ESTATE (note 5).....	795,002	

SHAREHOLDERS' EQUITY

THE RUBIN CORPORATION LIMITED AND ITS WHOLLY OWNED SUBSIDIARIES

Capital stock

First preference shares

Authorized—80,000 shares with a par value of \$10 each

Issued and fully paid—55,000 shares..... \$ 550,000

Second preference shares

Authorized—90,000 shares with a par value of \$10 each

Issued and fully paid—87,500 shares..... 875,000

Common shares

Authorized—350,000 shares with a par value of \$1 each

Issued and fully paid—1,000 shares..... 1,000

\$ 1,426,000

Retained Earnings..... 142,852 \$ 1,568,852

ONE THIRTY ONE BLOOR WEST LIMITED

Capital stock

Preference shares

Authorized—540,000 shares with a par value of \$1 each

Issued and fully paid—400,000 shares..... \$ 400,000

Common shares

Authorized—60,000 shares without par value

Issued and fully paid—200 shares..... 200 400,200

\$ 1,969,052

\$10,886,368

Approved on behalf of the Board of One Thirty One Bloor West Limited:

(Signed) ALEX J. RUBIN, Director

(Signed) H. RUBIN, Director

*The accompanying notes are an integral part of the financial statements.*



**The Rubin Corporation Limited**  
**And Its Wholly Owned Subsidiaries**  
**and**  
**One Thirty One Bloor West Limited**

**Notes to the Combined Balance Sheet**  
**as at December 31, 1964**

**1. MORTGAGES RECEIVABLE—THE YORKWOODS VILLAGE AND PEEL ESTATES HOUSING TRUSTS—\$1,675,640**

This balance represents mortgages due the Company and a wholly owned subsidiary with respect to 139 houses sold to The Royal Trust Company as Trustee for the Yorkwoods Village Housing Trust and the Peel Estates Housing Trust as follows:

Yorkwoods Village Housing Trust, 6½%, due July 1, 1989.....	\$1,538,350
Peel Estates Housing Trust, 7%, due December 1, 1989.....	137,290
	<u>\$1,675,640</u>

Under the terms of the sales, the vendors received first mortgages and promissory notes to cover the purchase price. Pursuant to the terms of the Trust Deed, the Trustee will enter into Occupancy Agreements with third persons for the occupancy of the aforesaid housing units and said third persons will make deposits and down payments in aggregate amounts to enable the Trustee to pay to the vendors the promissory notes referred to above. To the extent that the Trustee has not entered into Occupancy Agreements with sufficient third persons for the occupancy of all of the units, The Rubin Corporation Limited has agreed to occupy the then unoccupied housing units. Each of the persons (including the Company if it occupies any of the housing units) will pay to the Trustee such amounts as will permit the Trustee to make the required payments on the aforesaid first mortgages. The 9 units unsold at December 31, 1964 are being carried on the books at cost.

The Rubin Corporation Limited has agreed that in the event that any third persons occupying any housing units wish to cancel their occupancy agreements within a five year period, The Rubin Corporation Limited will occupy said units and refund down payments to said third persons less an amount of approximately \$500 per unit.

**2. MORTGAGES AND SECURED LOANS—\$20,451,834**

These mortgages and loans are at an average interest rate of approximately 8.4% per annum and are repayable as to principal approximately as follows:

	Long term first mortgages	Other mortgages and secured loans
For the year ended December 31, 1965.....	\$ 173,400	\$1,124,000
1966.....	296,000	4,401,500
1967.....	209,800	2,180,500
1968.....	288,900	865,900
1969.....	274,300	477,600
1970.....	270,400	
1971.....	289,400	81,000
1972.....	309,400	
1973.....	535,400	
1974.....	334,909	
Subsequent to 1974...	8,339,425	

Short term mortgages and secured loans are in the opinion of management renewable at maturity on similar terms of repayment. Secured loans are primarily secured by mortgages receivable. Other mortgages are short term first and second mortgages on real estate.

**3. BANK INDEBTEDNESS—\$2,719,123**

\$2,069,123 of this amount is secured by mortgage commitments on real estate under development, the balance of \$650,000 is unsecured.

**4. NOTES PAYABLE—\$150,000**

These notes are repayable as to \$50,000 on July 31 in each of the years 1967, 1968 and 1969 and bear interest at the rate of 5% per annum commencing on July 31, 1967.

**5. DEFERRED INCOME RE SALES OF REAL ESTATE—\$795,002**

The Rubin Corporation Limited sold and leased back its 50% interest in an apartment building and as part of the consideration took back a mortgage which has been subordinated to said lease. Accordingly, a portion of the profit equal to the amount of the mortgage taken back on the sale has been deferred and will be taken into income over the period of the lease.

The Rubin Corporation Limited also sold certain lands during the year and as consideration mortgages were taken back. It is the policy of The Rubin Corporation Limited to defer the profit on such sales until such time as construction has commenced on the properties concerned.

During the year The Rubin Corporation Limited and a wholly owned subsidiary entered into purchase and sale agreements for the sale of two properties consisting of 175 housing units to be sold along lines similar to the transactions described in Note 1. As these properties were under construction at balance sheet date, the sales have not been reflected in the accounts, but rather the properties are carried at cost as real estate under development.



**The Rubin Corporation Limited  
And Its Wholly Owned Subsidiaries  
and  
One Thirty One Bloor West Limited**

**Notes to the Combined Balance Sheet  
as at December 31, 1964**

**6. LEASE OBLIGATIONS**

Rentals payable on real estate sold and leased back are as follows:

1965-1969.....	\$558,017 per annum	1981-1989.....	\$296,725 per annum
1970-1978.....	545,502 per annum	1990-1994.....	186,125 per annum
1979-1980.....	472,613 per annum		

Rentals on long-term land leases are as follows:

1. Expiry date November 30, 1968.....	\$ 22,559 per annum
2. Expiry date June 30, 2060.....	113,400 per annum
3. Expiry date December 31, 2061.....	19,710 per annum
4. Expiry date December 31, 2062.....	13,500 per annum

Lease 1 has two renewals of five years each at a rental of \$9,838 per annum and \$8,092 per annum respectively. Lease 2 contains a clause for renegotiated rent after thirty years.

**7. CONTINGENT LIABILITIES**

The Company has guaranteed the liabilities of affiliated companies in the amount of \$515,000.

**Auditors' Report**

To the Directors,

THE RUBIN CORPORATION LIMITED AND  
ONE THIRTY ONE BLOOR WEST LIMITED

We have examined the combined balance sheet of The Rubin Corporation Limited and its wholly owned subsidiaries and One Thirty One Bloor West Limited as at December 31, 1964. Our examination included a general review of the accounting procedures and such tests of the accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion the accompanying combined balance sheet of The Rubin Corporation Limited and its wholly owned subsidiaries and One Thirty One Bloor West Limited presents fairly the financial position of the companies as at December 31, 1964 in accordance with generally accepted accounting principles applied on a consistent basis.

Toronto, Ontario  
March 11, 1965.

(Signed) PERLMUTTER, ORENSTEIN, GIDDENS, NEWMAN & KOFMAN,  
Chartered Accountants.

## STATUTORY INFORMATION

1. The full name of the Company is Revenue Properties Company Limited (hereinafter called the "Company") and the address of its head office is 12 Sheppard Street, Toronto 1, Ontario.
2. The Company was incorporated under the laws of the Province of Ontario by letters patent dated the 24th day of August, 1961. Supplementary letters patent dated respectively the 24th day of November, 1961 and the 25th day of May, 1964 have been issued to the Company, the latter creating the Second Preference Shares referred to in paragraph 8 hereof.
3. The general nature of the business actually transacted or to be transacted by the Company is the acquisition, ownership and operation of revenue producing real estate.
4. The names in full, present occupations and home addresses in full of the directors and officers of the Company are as follows:

### Directors

JOHN RUSSELL CAMPBELL, Q.C.	Solicitor	110 Dunvegan Road, Toronto, Ontario.
DONALD MACKAY DEACON	Investment Dealer	Glenburn Farms, Unionville, Ontario.
DISQUE DEE DEANE	Investment Banker	16 East 93rd Street, New York, N.Y., U.S.A.
SAMUEL GOTFRID, Q.C.	Solicitor	163 Old Forest Hill Road, Toronto, Ontario.
ROBERT KENDALL MCCONNELL	Investment Dealer	5 Beaumont Road, Toronto, Ontario.
IAN MACFEE ROGERS, Q.C.	Solicitor	2 Addington Place, Willowdale, Ontario.
ALEX JACK RUBIN	Executive	47 Hilltop Road, Toronto, Ontario.
HARRY RUBIN	Executive	126 Dunvegan Road, Toronto, Ontario.
WILLIAM PETTY WALKER, O.B.E.	Executive	20 Avondale Road, Toronto, Ontario.

### Officers

ALEX JACK RUBIN	President and Chairman of the Board	47 Hilltop Road, Toronto, Ontario.
HARRY RUBIN	Executive Vice-President and Treasurer	126 Dunvegan Road, Toronto, Ontario.
BERKO DEVOR	Senior Vice-President and Controller	31 Vesta Drive, Toronto, Ontario.
DONALD H. ROSS	Vice-President—Industrial Development	107 Citation Drive, Willowdale, Ontario.
IAN MACFEE ROGERS, Q.C.	Secretary	2 Addington Place, Willowdale, Ontario.

5. The auditors of the Company are Messrs. Perlmutter, Orenstein, Giddens, Newman & Kofman, Chartered Accountants, 121 Richmond Street West, Toronto 1, Ontario.
6. (i) The transfer agent and registrar for the 6½% Cumulative Redeemable Convertible Participating First Preference Shares (hereinafter sometimes called the "First Preference Shares"), the 6% Cumulative Redeemable Second Preference Shares (hereinafter sometimes called the "Second Preference Shares"), and the Common Shares of the Company is National Trust Company, Limited at its principal offices in the Cities of Toronto, Montreal, and Winnipeg.
- (ii) The Metropolitan Trust Company is the trustee for the holders of the 6½% First Mortgage Sinking Fund Bonds, Series A (hereinafter sometimes referred to as the "Series A Bonds") of the Company,



and registers upon which fully registered Series A Bonds are and shall be registered as to principal and interest and upon which coupon Series A Bonds are and may be registered as to principal and upon which transfers of Series A Bonds so registered are and shall be registered are kept by The Metropolitan Trust Company at its principal office in the City of Toronto.

- (iii) The Royal Trust Company is the trustee for the holders of the 6½% Sinking Fund Debentures, Series A (hereinafter sometimes referred to as the "Series A Debentures") of the Company, and registers upon which fully registered Series A Debentures are and shall be registered as to principal and interest and upon which coupon Series A Debentures are and may be registered as to principal and upon which transfers of Series A Debentures so registered are and shall be registered are kept by The Royal Trust Company at its principal offices in the Cities of Toronto, Montreal and Winnipeg.
- (iv) National Trust Company, Limited at its principal offices in the cities of Toronto, Montreal and Winnipeg is the registrar and transfer agent for the share purchase warrants of the Company referred to in paragraph 9 (b) hereof.

7. The authorized capital of the Company consists of 100,000 First Preference Shares with a par value of \$20 each, issuable in series, of which 55,000 shares, designated as 6½% Cumulative Redeemable Convertible Participating First Preference Shares, Series A, constitute the first series, have been issued and are outstanding as fully paid and non-assessable, 250,000 6% Cumulative Redeemable Second Preference Shares with a par value of \$10 each, of which 31,015 shares have been issued and are outstanding as fully paid and non-assessable and 2,500,000 Common Shares without par value of which 1,243,400 shares have been issued and are outstanding as fully paid and non-assessable.

8. The following is a description of the respective voting rights, preferences, conversion and exchange rights, rights to dividends, profits or capital of each class of shares of the Company, including redemption rights and rights on liquidation or distribution of capital assets.

**The First Preference Shares with a par value of \$20 each (hereinafter called "First Preference Shares") have attached thereto, as a class, preferences, rights, conditions, restrictions, limitations and prohibitions substantially as follows:**

(a) The First Preference Shares may at any time or from time to time be issued in one (1) or more series, each series to consist of such number of shares as may before the issue thereof be determined by the directors; the directors of the Company may (subject as hereinafter provided) by resolution fix from time to time before the issue thereof the designation, preferences, rights, conditions, restrictions, limitations or prohibitions attaching to the First Preference Shares of each series including, without limiting the generality of the foregoing, the rate of preferential dividends, the dates of payment thereof, the redemption price and terms and conditions of redemption, conversion rights (if any) and any sinking fund or other provisions, the whole subject to the issue of Supplementary Letters Patent setting forth the designation, preferences, rights, conditions, restrictions, limitations or prohibitions attaching to the First Preference Shares of such series;

(b) The First Preference Shares of each series shall be entitled to preference over the Common Shares of the Company, and any other shares (including the Second Preference Shares hereinafter referred to) ranking junior to the First Preference Shares, with respect to priority in payment of dividends and in the distribution of assets in the event of the liquidation, dissolution or winding up of the Company, whether voluntary or involuntary, or any other distribution of the assets of the Company among its shareholders for the purpose of winding up its affairs and may also be given such other preferences over the Common Shares of the Company and any other shares (including the Second Preference Shares hereinafter referred to) ranking junior to the First Preference Shares as may be determined as to the respective series authorized to be issued;

(c) The First Preference Shares of each series shall rank on a parity with the First Preference Shares of every other series with respect to priority in payment of dividends and in the distribution of assets in the event of the liquidation, dissolution or winding up of the Company, whether voluntary or involuntary, or any other distribution of the assets of the Company among its shareholders for the purpose of winding up its affairs; no series of First Preference Shares shall be authorized which shall have a fixed cumulative dividend rate in excess of eight per cent (8%) per annum on the amounts from time to time paid up thereon or be entitled to receive upon liquidation, dissolution or winding up or upon redemption a sum in excess of one hundred and fifteen per cent (115%) of the amounts paid up thereon plus a sum equivalent to all unpaid cumulative and/or participating dividends thereon;

(d) The holders of the First Preference Shares shall be entitled to thirty (30) votes in respect of each such First Preference Share held at all meetings of the shareholders of the Company; in addition, if and whenever the Company from time to time shall fail to pay in the aggregate six (6) quarterly dividends on the First Preference Shares of any one (1) series on the dates on which the same should be paid according

to the terms thereof and if and whenever six (6) quarterly dividends on such shares shall remain outstanding and be unpaid whether or not consecutive and whether or not such dividends have been declared and whether or not there are any moneys of the Company properly applicable to the payment of dividends then thereafter but only so long as any dividends on the First Preference Shares of any series remain in arrears the holders of the First Preference Shares shall be entitled, voting separately and exclusively as a class, to elect two (2) members of the board of directors of the Company if the board consists of seven (7) or fewer directors or three (3) members of the board of directors if the board consists of more than seven (7) directors; provided that the provisions attaching to the First Preference Shares do not limit the right of the Company from time to time to increase or decrease the number of its directors;

Notwithstanding anything contained in the by-laws of the Company, the term of office of all persons who may be directors of the Company at any time when the additional right to elect directors shall accrue to the holders of First Preference Shares as herein provided, or who may be appointed as directors thereafter and before a meeting of shareholders shall have been held, shall terminate upon the election of directors at the next annual meeting of shareholders or at a general meeting of shareholders which may be held for the purpose of electing directors at any time after the accrual of such additional right to elect directors upon not less than twenty (20) days' written notice and which shall be called by the Secretary of the Company upon the written request of the holders of record of at least one-tenth (1/10) of the outstanding First Preference Shares; in default of the calling of such general meeting by the secretary within five (5) days after the making of such request, such meeting may be called by any holder of record of First Preference Shares;

Any vacancy or vacancies occurring among members of the board elected by the holders of First Preference Shares, voting separately and exclusively as a class, in accordance with the foregoing provisions may be filled by the board of directors with the consent and approval of the remaining director or directors elected by the holders of First Preference Shares, voting separately and exclusively as a class, but if there be no such remaining director or directors the board may elect or appoint sufficient holders of First Preference Shares to fill the vacancy or vacancies; whether or not such vacancy or vacancies is or are so filled by the board, the holders of record of at least one-tenth (1/10) of the outstanding First Preference Shares shall have the right to require the Secretary of the Company to call a meeting of the holders of First Preference Shares for the purpose of filling the vacancy or vacancies or replacing all or any of the persons elected or appointed to fill such vacancy or vacancies and the provisions described in the last preceding paragraph shall apply with respect to the calling of any such meeting;

Notwithstanding anything contained in the by-laws of the Company (i) upon any termination of the said additional right to elect directors, the term of office of the directors elected or appointed to represent the holders of First Preference Shares exclusively shall forthwith terminate and (ii) the holding of one (1) First Preference Share shall be sufficient to qualify a person for election or appointment as a director of the Company to represent the holders of First Preference Shares exclusively;

(e) The authorization required by subsection (4) of section 33 of The Corporations Act to delete or vary any preference, right, condition, restriction, limitation or prohibition attaching to the First Preference Shares as a class or to create preference shares ranking in priority to or on a parity with the First Preference Shares may be given by at least two-thirds (2/3) of the votes cast at a meeting of the holders of the First Preference Shares duly called for that purpose and held upon at least fifteen (15) days' notice at which the holders of at least a majority of the outstanding First Preference Shares are present or represented by proxy; if at any such meeting the holders of a majority of the outstanding First Preference Shares are not present or represented by proxy within one-half (1/2) an hour after the time appointed for such meeting, then the meeting shall be adjourned to such date being not less than twenty-one (21) days later and to such time and place as may be appointed by the Chairman and not less than fifteen (15) days' notice shall be given of such adjourned meeting but it shall not be necessary in such notice to specify the purpose for which the meeting was originally called; at such adjourned meeting the holders of First Preference Shares present or represented by proxy may transact the business for which the meeting was originally called and a resolution passed thereat by not less than two-thirds (2/3) of the votes cast at such meeting shall constitute the authorization of the holders of the First Preference Shares referred to above; the formalities to be observed in respect of the giving of notice of any such meeting or adjourned meeting and the conduct thereof shall be those from time to time prescribed by the by-laws of the Company with respect to meetings of shareholders; on every poll taken at every such meeting or adjourned meeting every holder of First Preference Shares shall be entitled to thirty (30) votes in respect of each First Preference Share held.

---

**The first series of the said class of First Preference Shares consists of fifty-five thousand (55,000) shares with a par value of \$20 each designated "6½% Cumulative Redeemable Convertible Participating First Preference Shares, Series A" (hereinafter called the "Series A First Preference**



Shares") and, in addition to the preferences, rights, conditions, restrictions, limitations and prohibitions attaching to the First Preference Shares as a class, have attached thereto preferences, rights, conditions, restrictions, limitations and prohibitions substantially as follows:

(1) The holders of the Series A First Preference Shares are entitled to receive and the Company shall pay thereon as and when declared by the board of directors out of the moneys of the Company properly applicable to the payment of dividends fixed cumulative preferential cash dividends at the rate of six and one-half per cent ( $6\frac{1}{2}\%$ ) per annum payable quarterly on the fifteenth days of February, May, August and November in each year on the amounts from time to time paid up thereon; such dividends shall accrue from such date or dates not later than six (6) months after the respective dates of issue as may in the case of each issue be determined by the board of directors of the Company or in case no date be so determined then from the date of allotment; cheques of the Company payable at par at any branch of the Company's bankers for the time being in Canada (far northern branches excepted) shall be issued in respect of such dividends and in respect of the dividends provided for in clause (2) hereof; if on any dividend payment date the dividend payable on such date is not paid in full on all of the Series A First Preference Shares then issued and outstanding, such dividend or the unpaid part thereof shall be paid on a subsequent date or dates determined by the board of directors of the Company on which the Company shall have sufficient moneys properly applicable to the payment of the same;

(2) The holders of the Series A First Preference Shares are also entitled to receive and the Company shall pay thereon as and when declared by the board of directors out of the moneys of the Company properly applicable to the payment of dividends participating cash dividends in each year in an amount equal per share to the lesser of seventy cents (70¢) or that proportion of five per cent (5%) of the consolidated net earnings of the Company and its consolidated subsidiaries for the immediately preceding year ended on the thirty-first day of December as one (1) bears to fifty-five thousand (55,000) but if the said proportion is the lesser then any such participating dividend shall, notwithstanding the foregoing, be adjusted so that it shall be paid in an amount for each Series A First Preference Share equal to the nearest multiple of one cent (1¢) to the amount which would have been paid thereon in accordance with the foregoing proportion; such participating dividends shall be paid on the fifteenth day of May in each year and for the purposes of clauses (3), (4), (5) and (6) hereof the holders of the Series A First Preference Shares shall be deemed to be entitled to such participating dividends in each year on (but not before) such fifteenth day of May, whether or not declared by the board of directors; such consolidated net earnings shall not be increased or decreased by any profits or losses made or suffered in any preceding or subsequent year or years; for the purposes of this clause (2) and subject to the foregoing provisions hereof and to the provisions of the letters patent relating to the determination of consolidated net earnings, consolidated net earnings of the Company and its consolidated subsidiaries shall be determined by the auditors of the Company, whose determination shall be conclusive and binding on the Company and the holders of shares of every class; the holders of the Series A First Preference Shares shall not be entitled to any dividends other than or in excess of the dividends referred to in this clause (2) and in clause (1) hereof;

(3) In the event of the liquidation, dissolution or winding up of the Company or any other distribution of assets of the Company among its shareholders for the purpose of winding up its affairs, the holders of the Series A First Preference Shares shall be entitled to receive the amount paid up on such shares, together with all accrued and unpaid preferential dividends provided for in clause (1) hereof (which for such purpose shall be calculated as if such dividends were accruing for the period from the expiration of the last period for which such dividends have been paid up to the date of distribution) and all participating dividends provided for in clause (2) hereof to which the holders of the Series A First Preference Shares are entitled up to the date of distribution and, if such liquidation, dissolution, winding up or distribution be voluntary, an additional amount equal to the premium which would be payable as part of the redemption price of such shares if such shares were redeemed under the provisions of clause (6) hereof at the time of payment under the provisions of this clause (3), before any amount shall be paid or any property or assets of the Company distributed to the holders of any Common Shares or shares of any other class (including the Second Preference Shares hereinafter referred to) ranking junior to the Series A First Preference Shares; after payment to the holders of the Series A First Preference Shares of the amount so payable to them they shall not be entitled to share in any further distribution of the property or assets of the Company;

(4) No dividends shall at any time be declared or paid upon or set apart for payment on any shares of the Company ranking junior to the First Preference Shares unless there shall have been declared and paid or set apart for payment all accrued preferential dividends referred to in clause (1) hereof, up to and including the dividend payable in accordance with the provisions of clause (1) hereof for the last completed quarter, and all participating dividends referred to in clause (2) hereof to which the holders of the Series A First Preference Shares are entitled at the date of such declaration or payment or setting apart for payment on such shares of the Company ranking junior to the First Preference Shares nor shall the Company call for redemption or purchase for cancellation or reduce or otherwise pay off any of the First Preference Shares (less than the total amount then outstanding) or any shares of the Company ranking

junior to the First Preference Shares unless there shall have been declared and paid or set apart for payment all accrued preferential dividends provided for in clause (1) hereof, up to and including the dividend payable in accordance with the provisions of clause (1) hereof for the last completed quarter, and all participating dividends provided for in clause (2) hereof to which the holders of the Series A First Preference Shares are entitled at the date of such call for redemption, purchase, reduction or other payment off;

(5) Subject to the provisions referred to in clause (4) hereof, the Company may at any time or times purchase (if obtainable) for cancellation all or any part of the Series A First Preference Shares outstanding from time to time in the market (including purchase through or from an investment dealer or firm holding membership on a recognized stock exchange) or by invitation for tenders addressed to all the holders of record of the Series A First Preference Shares outstanding at the lowest price or prices at which, in the opinion of the directors, such shares are obtainable but not exceeding the price at which, at the date of purchase, such shares are redeemable as referred to in clause (6) hereof (including preferential dividends and participating dividends as provided in the said clause (6)) plus costs of purchase; if upon any invitation for tenders under the provisions of this clause the Company shall receive tenders of Series A First Preference Shares at the same lowest price which the Company may be willing to pay in an aggregate number greater than the number for which the Company is prepared to accept tenders, the Series A First Preference Shares so tendered shall be purchased as nearly as may be pro rata (disregarding fractions) according to the number of Series A First Preference Shares so tendered by each of the holders of Series A First Preference Shares who submitted tenders at the said same lowest price;

(6) Subject to the provisions referred to in clause (4) hereof, the Company may upon giving notice as provided in its letters patent redeem at any time the whole or from time to time any part of the then outstanding Series A First Preference Shares on payment for each share to be redeemed of the amount paid up on such share together with a premium of ten per cent (10%) of such amount if redeemed on or before the fifteenth day of November, A.D. 1966, or a premium of seven and one-half per cent (7½%) of such amount if redeemed thereafter and on or before the fifteenth day of November, A.D. 1968, or a premium of five per cent (5%) of such amount if redeemed thereafter and on or before the fifteenth day of November, A.D. 1970, or a premium of two and one-half per cent (2½%) of such amount if redeemed thereafter and together in all cases with all accrued and unpaid preferential dividends payable in accordance with the provisions referred to in clause (1) hereof (which for such purpose shall be calculated as if such dividends on the Series A First Preference Shares were accruing for the period from the expiration of the last period for which such dividends have been paid up to the date of such redemption) and all participating dividends referred to in clause (2) hereof to which the holders of the Series A First Preference Shares are entitled up to the date of such redemption;

- (7) So long as any of the Series A First Preference Shares are outstanding the Company shall not
- (i) declare or pay any dividends on any of its shares at any time outstanding and ranking junior to the Series A First Preference Shares, or
  - (ii) redeem, reduce, purchase or otherwise pay off any of its shares at any time outstanding and ranking junior to the Series A First Preference Shares

when the consolidated net current assets of the Company and its consolidated subsidiaries are below, or which would reduce such consolidated net current assets to less than, Two Hundred Thousand dollars (\$200,000);

The term "consolidated net current assets" as used herein means the surplus of current assets over current liabilities of the Company and all its consolidated subsidiaries arrived at on a consolidated basis in accordance with generally accepted accounting practice; provided always that in calculating consolidated net current assets due allowance shall be made for the minority interest (if any) in any consolidated subsidiary;

"Current assets" means accounts receivable, bills and notes receivable and similar items receivable in the ordinary course of business (less reasonable provisions for bad and doubtful debts), cash on hand and in bank, bonds and obligations of or guaranteed by the Government of Canada or any province thereof and other investments (which term shall include bonds, debentures, debenture stock, shares and obligations of incorporated companies other than funded indebtedness issued by the Company or any subsidiary) which are readily saleable and which in accordance with generally accepted accounting practice may properly be grouped as current assets taken at their quoted market value, prepaid interest, insurance, municipal taxes and similar prepaid expenses of a current nature, cash surrender value of life insurance policies payable to the Company or its consolidated subsidiaries and such other assets as are usually regarded as current in accordance with generally accepted accounting practice by companies conducting a business similar to that of the Company and/or of its consolidated subsidiaries;

"Current liabilities" means accounts payable, proper provisions for taxes of all kinds, bank loans and overdrafts, accrued interest and other liabilities required to be treated as current in accordance with generally accepted accounting practice including all amounts set aside for purchase fund purposes as



provided in clause (8) hereof and not used or applied for the purposes provided in the said clause; provided that (i) no liabilities under forward commitments of purchase related to the current operations of the Company and/or its consolidated subsidiaries and (ii) no principal, premium (if any) or sinking fund instalments (if any) in respect of any funded indebtedness which may be owing, issued or guaranteed by the Company and/or its consolidated subsidiaries shall be taken into account in determining current liabilities;

(8) So long as any of the Series A First Preference Shares are outstanding, the Company shall on or before the 15th day of November in each year, commencing with the year 1962, set aside the sum of \$30,000 as a purchase fund for the purchase for cancellation of Series A First Preference Shares, at prices not exceeding the amount paid up thereon plus costs of purchase, and will apply such funds to such purchases, provided that if under the said provisions the Company would be required to set aside in any year for purchase fund purposes an amount which, when added to the amounts theretofore set aside for such purchase fund and not used or applied on or before the first day of October in such year for the purchase of Series A First Preference Shares for cancellation, would aggregate an amount in excess of the lesser of (i) \$90,000 or (ii) 15% of the aggregate par value of all Series A First Preference Shares outstanding on the first day of October in such year, then the Company shall only be required to set aside for purchase fund purposes an amount which, when added to the said amounts theretofore set aside and not used or applied as aforesaid, would equal the lesser of the amounts referred to in (i) and (ii) of this clause (8). It is provided that the Company may at any time anticipate the whole or any part of its purchase fund obligations by purchasing or redeeming Series A First Preference Shares;

- (9) (a) The holders of Series A First Preference Shares shall have the right at any time up to the close of business on the 15th day of November, A.D. 1969, (subject as hereinafter provided) to convert fully paid Series A First Preference Shares into fully paid and non-assessable Common Shares without par value of the Company (as presently constituted) on the following bases:

Two and One-half ( $2\frac{1}{2}$ ) Common Shares for each Series A First Preference Share converted at any time up to and including the 15th day of November, 1965; and thereafter,

Two (2) Common Shares for each Series A First Preference Share converted at any time up to and including the 15th day of November, 1969;

- (b) In the case of any Series A First Preference Shares which may be called for redemption, the right of conversion thereof shall cease and terminate at the close of business on the third business day prior to the date fixed for redemption, provided, however, that if the Company shall fail to redeem such Series A First Preference Shares in accordance with the notice of redemption the right of conversion shall thereupon be restored;
- (c) If the Company proposes to issue subscription warrants, or other rights, to the holders of its Common Shares generally to purchase shares of the Company, the Company shall so notify each registered holder of Series A First Preference Shares by written notice given (in the manner provided for the giving of notice of redemption) at least ten (10) days prior to the date fixed by the Company as the record date in connection with the issue of such subscription warrants or other rights to purchase shares; and
- (d) If the holder of any Series A First Preference Shares shall exercise the conversion right attaching thereto at any time after the payment by the Company of any dividend on the Common Shares payable in shares of the Company or a dividend on the Common Shares payable at the option of the holders thereof either in shares of the Company or in cash, such holder shall be entitled to, in addition to the number of Common Shares which he would have been entitled to on the exercise of such right of conversion of such Series A First Preference Shares if such dividend had not been paid, such additional number of shares as would have been payable on the Common Shares resulting from the exercise of such right of conversion if they had been outstanding on the record date for the payment of such dividend;
- (e) The subdivision, consolidation or change of the Common Shares of the Company will result in appropriate adjustments of the conversion rate set forth above;
- (10) (a) Subject to specified exceptions, so long as there are any Series A First Preference Shares outstanding, neither the Company nor any consolidated subsidiary of the Company shall, without approval by a resolution of the holders of the Series A First Preference Shares, create, issue or become liable in respect of funded indebtedness if such funded indebtedness, or any instrument providing for the creation or issuance of such funded indebtedness, contains or provides for any restrictions on the payment of the dividends on the Series A First Preference Shares or if the consolidated funded indebtedness of the Company and its consolidated subsidiary companies to be outstanding immediately after such creation, issuance or becoming liable, as the case may be, shall thereby be increased to a sum greater than three (3) times the consolidated net tangible assets of the Company and its consolidated subsidiary companies;

- (b) Without approval by a resolution of the holders of the Series A First Preference Shares, neither the Company nor any consolidated subsidiary of the Company shall, so long as there are any Series A First Preference Shares outstanding, make any investment in shares of any subsidiary, lend any moneys to any subsidiary, or purchase any securities or obligations of any subsidiary if the consolidated net tangible assets of the Company and its consolidated subsidiaries, after giving effect to such investment, loan or purchase would be greater than two and one quarter ( $2\frac{1}{4}$ ) times the aggregate par value of the First Preference Shares outstanding at the time of such investment, loan or purchase;
- (c) It is provided that the Company shall not issue any First Preference Shares in excess of the Fifty-five Thousand (55,000) Series A First Preference Shares without the prior approval of the holders of the Series A First Preference Shares given as specified in the letters patent of the Company unless (a) the consolidated net tangible assets of the Company and its consolidated subsidiaries amount to at least two and one-quarter ( $2\frac{1}{4}$ ) times the aggregate par value of all First Preference Shares to be outstanding immediately after such issue, and (b) the average annual consolidated net earnings of the Company and its consolidated subsidiaries for the two (2) completed fiscal years next preceding the date of such issuance have been at least equal to two and one-half ( $2\frac{1}{2}$ ) times the annual dividend requirements (other than participating dividends) on all the First Preference Shares to be outstanding immediately after such issue; a report of the Company's auditors for the time being as to whether the Company is or is not entitled to issue any First Preference Shares without the prior approval aforesaid being conclusive and binding on the Company and the holders of its shares of every class; and
- (d) The provisions attaching to the Series A First Preference Shares include definitions of the following terms as used in this clause (10), namely: "subsidiary company", "subsidiary", "consolidated subsidiary", "consolidated subsidiary company", "consolidated net tangible assets", "funded indebtedness", "consolidated funded indebtedness", and "consolidated net earnings";

(11) No class of shares may be created or issued ranking as to capital or dividends prior to or on a parity with the First Preference Shares without the approval of the holders of the Series A First Preference Shares given as specified in the letters patent of the Company nor shall the authorized amount of First Preference Shares be increased without such approval; provided that the provisions referred to in this clause (11) do not prevent the Company from issuing additional series of the authorized First Preference Shares without such approval;

---

**The Second Preference Shares with a par value of Ten dollars (\$10) each (hereinafter called the "Second Preference Shares") have attached thereto, as a class, preferences rights, conditions, restrictions, limitations and prohibitions which may be summarized as follows:**

- (i) The Second Preference Shares rank junior to the First Preference Shares, and are entitled to preference over the Common Shares of the Company and other shares ranking junior to the Second Preference Shares, with respect to priority in payment of dividends and in the distribution of assets in the event of liquidation, dissolution or winding up of the Company, whether voluntary or involuntary, or any other distribution of the assets of the Company among its shareholders for the purpose of winding up its affairs;
- (ii) The holders of the Second Preference Shares are entitled to receive, as and when declared by the board of directors, out of moneys properly applicable to the payment of dividends fixed cumulative preferential cash dividends at the rate of 6% per annum payable quarterly on the fifteenth days of February, May, August and November in each year on the amounts from time to time paid up thereon;
- (iii) No dividends shall at any time be declared or paid on any shares of the Company ranking junior to the Second Preference Shares unless all accrued preferential dividends on the Second Preference Shares have been declared and paid;
- (iv) In the event of the liquidation, dissolution or winding up of the Company, the holders of the Second Preference Shares shall be entitled to receive the amount paid up on such shares, together with all accrued and unpaid preferential dividends to which the holders of the Second Preference Shares are entitled up to the date of distribution before any amount shall be paid to the holders of any class of shares ranking junior to the Second Preference Shares; after payment to the holders of the Second Preference Shares of the amounts so payable to them they shall not be entitled to share in any further distribution of the property or assets of the Company;
- (v) The Company may upon giving at least 30 days' written notice to the holders thereof redeem at any time the whole or from time to time any part of the then outstanding Second Preference Shares on



payment for each share to be redeemed of the amount paid up thereon together with all accrued and unpaid preferential dividends payable thereon (which for such purpose shall be calculated as if such dividends were accruing for the period from the expiration of the last period for which such dividends have been paid to the date of such redemption), provided that the Company shall not call for redemption less than all of the Second Preference Shares unless there shall have been declared and paid, or set aside for payment all accrued preferential dividends on the Second Preference Shares up to and including the dividend payable for the last completed quarter;

- (vi) Whenever the Company may redeem less than all of the Second Preference Shares, the Company may purchase for cancellation, in the market or by invitation for tenders, all or any part of the Second Preference Shares then outstanding, at prices not exceeding the then applicable redemption price for such shares, plus costs of purchase; and
- (vii) The holders of the Second Preference Shares, as such, shall not be entitled to receive notice of or attend or vote at any meeting of the shareholders of the Company unless or until the Company shall fail to pay in the aggregate eight (8) quarterly dividends on such shares; thereafter so long as any dividends on the Second Preference Shares remain in arrears, the holders of such shares shall be entitled to one (1) vote in respect of each Second Preference Share held, provided that at all times the holders of the Second Preference Shares shall be entitled to notice of any meeting of shareholders called for the purpose of authorizing the dissolution of the Company or the sale of its undertaking or a substantial part thereof.

---

**Each Common Share in the authorized capital of the Company will be equal to every other Common Share and all Common Shares will participate equally on liquidation or distribution of capital assets and enjoy equal rights to dividends and full voting rights of one vote per Common Share at all annual and general meetings of Shareholders.**

9. (a)  $6\frac{1}{2}\%$  FIRST MORTGAGE SINKING FUND BONDS, SERIES A, DUE AUGUST 1, 1983. The Company has outstanding one series of First Mortgage Bonds consisting of \$1,470,000 aggregate principal amount of  $6\frac{1}{2}\%$  First Mortgage Sinking Fund Bonds, Series A, due August 1, 1983 (herein sometimes referred to as the "Series A Bonds"). The Series A Bonds were issued under a deed of trust and mortgage (herein sometimes referred to as the "Trust Deed") dated as of August 1, 1963 and made between the Company and The Metropolitan Trust Company, as trustee (herein sometimes referred to as the "Bond Trustee"). The Trust Deed is expressed to constitute as regards certain properties of the Company a fixed and specific mortgage hypothec pledge and charge, as regards certain leases, whether granted by the Company at the date of the Trust Deed or thereafter, an assignment and transfer and as regards the undertaking of the Company and all its property and assets, both present and future (other than specifically mortgaged property) a first floating charge. The Series A Bonds are dated August 1, 1963, mature on August 1, 1983 and bear interest from August 1, 1963 at the rate of  $6\frac{1}{2}\%$  per annum payable half-yearly.

As a sinking fund for the retirement of the Series A Bonds the Company is required to pay the Bond Trustee, subject to certain qualifications, on August 1 in each of the years 1964-1982 inclusive an amount equal to the total of (i) 2% of the principal amount of all Series A Bonds issued under the Trust Deed plus (ii) the interest which would have accrued since the previous sinking fund retirement date (as defined in the Trust Deed) or since the date of redemption or purchase thereof, whichever is later, on all Series A Bonds which have been redeemed or purchased pursuant to the provisions of the Trust Deed. The Trust Deed also provides that any Series A Bonds purchased by the Company pursuant to the provisions of the Trust Deed and all Series A Bonds redeemed by the Company at its option as hereinafter provided shall be available as sinking fund credits against sinking fund payments required to be made as above provided, subject to certain exceptions.

The Series A Bonds are also subject to redemption, in whole or in part, at the option of the Company (subject to certain conditions) at their principal amount and accrued interest plus a premium of 7.5% during the period from their issuance until August 1, 1965 with such premium reduced thereafter on each August 2 by .5% until August 2, 1978 and without premium on and after August 2, 1979, except that no such redemption of Series A Bonds may be carried out prior to August 1, 1973 as part of any refunding operation involving, directly or indirectly, the creation of indebtedness having an annual interest cost lower than  $6\frac{1}{2}\%$ . The Series A Bonds are also subject to redemption, in certain circumstances, without premium.

The Trust Deed also contains various covenants by the Company, including covenants to the effect that neither the Company nor any consolidated subsidiary company or companies (as defined in the Trust Deed) shall

- (i) create, issue, assume or become liable on any funded indebtedness (as defined in the Trust Deed) if the consolidated funded indebtedness (as defined in the Trust Deed) of the Company and its consolidated subsidiary companies to be outstanding immediately after such creation, issuance, assumption or becoming liable, as the case may be, shall thereby be increased to a sum greater than three (3) times the consolidated net tangible assets (as defined in the Trust Deed) of the Company; or
- (ii) pay any cash dividend, or redeem, reduce, purchase or otherwise pay off any of the shares of its capital stock, or make any investment in shares of any subsidiary (as defined in the Trust Deed) or lend any moneys to any such subsidiary or purchase any securities or obligations of any such subsidiary or guarantee any indebtedness of any such subsidiary, if the consolidated funded indebtedness (as defined in the Trust Deed) of the Company and its consolidated subsidiaries (as defined in the Trust Deed) after giving such effect thereto, as is required by the Trust Deed would thereby be increased to a sum greater than three (3) times the consolidated net tangible assets (as defined in the Trust Deed) of the Company and such consolidated subsidiary companies, or at any time when such consolidated net tangible assets of the Company and such consolidated subsidiary companies are below, or which would reduce such consolidated net tangible assets to less than \$3,500,000, or at any time when the consolidated net current assets (as defined in the Trust Deed) of the Company and such consolidated subsidiaries are below, or which would reduce such consolidated net current assets to less than \$200,000.

The Trust Deed provides that the covenant referred to immediately above shall not restrict the payment of the dividends provided for in the provisions attaching on December 1, 1961 to the Series A First Preference Shares of the Company.

(b) 6½% SINKING FUND DEBENTURES, SERIES A, DUE NOVEMBER 15, 1973. The Company has outstanding one series of Debentures consisting of \$2,350,000 aggregate principal amount of 6½% Sinking Fund Debentures, Series A, due November 15, 1973 (herein sometimes referred to as the "Series A Debentures"). The Series A Debentures were issued under a deed of trust and mortgage (herein sometimes referred to as the "Mortgage") dated as of November 1, 1961 and made between the Company and The Royal Trust Company, as trustee (herein sometimes referred to as the "Debenture Trustee"). The Mortgage constitutes as regards certain properties of the Company a fixed and specific mortgage hypothec pledge and charge and as regards the undertaking of the Company and all its property and assets both present and future (other than specifically mortgaged property) a floating charge subordinated to the floating charge of the Trust Deed. The Series A Debentures are dated November 15, 1961, mature on November 15, 1973 and bear interest from November 15, 1961 at the rate of 6½% per annum payable half-yearly.

As a sinking fund for the retirement of the Series A Debentures, the Company is required to pay to the Debenture Trustee, subject to certain qualifications, on or before November 15 in each of the years 1962-1972 inclusive, amounts sufficient to retire out of sinking fund moneys \$50,000 aggregate principal amount of Series A Debentures on November 15 in each of the years 1962-1972 inclusive. The Mortgage also provides that any Series A Debentures purchased by the Company pursuant to the provisions of the Mortgage and all Series A Debentures redeemed by the Company at its option as hereinafter provided shall be available as sinking fund credits against sinking fund payments required to be made as above provided, subject to certain exceptions.

The Series A Debentures are also subject to redemption, in whole or in part, at their principal amount and accrued interest plus a premium of 2.10% during the period from their issuance until November 15, 1962 with such premium reduced thereafter on each November 16th by .15 of 1% until November 16, 1971 and without premium on and after November 16, 1972. The Series A Debentures are subject to redemption for sinking fund purposes at the principal amount thereof plus accrued interest without payment of any premium.

The Series A Debentures when originally issued in definitive form were accompanied by share purchase warrants entitling the registered holders thereof to purchase 100 Common Shares without par value in the capital of the Company (as constituted at November 15, 1961 and subject to adjustments for dilution or other change) in respect of each \$1,000 principal amount of Series A Debentures issued to such holder, which warrants are exercisable at any time after the issuance thereof and up to and including November 15, 1973 or the expiration of two years following the retirement of all the Series A Debentures, whichever shall be the earlier, at the price of \$5 per share if exercised on or before November 15, 1966, such price increasing thereafter by 25¢ per share for each year commenced or elapsed from November 15, 1966 to the date of exercise. At the date hereof there are outstanding share purchase warrants entitling the registered holders thereof to purchase on the terms aforesaid an aggregate of 246,600 Common Shares.

(c) SECOND PREFERENCE SHARES. It is the present intention of the Board of Directors of the Company, to the extent that they from time to time consider it advisable, to declare stock dividends half-yearly in the form of Second Preference Shares on the outstanding Common Shares of the Company for distribution to the holders of such Common Shares.



10. Except as hereinafter stated no substantial indebtedness not shown in the balance sheet of the Company as at December 31, 1964 forming part of this prospectus is now intended to be created or assumed by the Company. The Company proposes to finance further acquisitions of real property by mortgages of specific parcels of real property to be given or assumed by the Company or by borrowing from banks or other sources and the Company proposes from time to time to extend, renew or refund presently existing mortgages on certain specific parcels of real property owned by it. It is not possible at the present time to specify the amount which will be borrowed in the future or the security, if any, which might be given to secure any such loans.

11. There are no securities of the Company covered by options outstanding or proposed to be given by the Company except as hereinafter referred to and except the Common Shares covered by the share purchase warrants referred to in paragraph 9 (b) hereof and the Common Shares covered by the transferable subscription warrants offered by this prospectus.

By agreement dated September 17, 1962 made between the Company and Donald H. Ross, Vice President, Industrial Development, of the Company, the Company granted to Donald H. Ross, subject to provisions applying in the event of death or termination of employment, five options to purchase an aggregate of 10,000 Common Shares in the capital of the Company at the price of \$6 per share. Each option covers 2,000 Common Shares and expires five years from its effective date, the effective dates of such options being respectively September 17 in each of the years 1963 to 1967, both inclusive. To date none of the said options has been exercised as to any of the Common Shares covered thereby.

By agreement dated May 14, 1962 the Company agreed to allot and issue to Berko Devor, Senior Vice-President and Controller of the Company, and the latter agreed to take up and pay for an aggregate of 25,000 Common Shares at the price of \$6 per share. Under such agreement, subject to provisions applying in the event of death or termination of employment, Berko Devor is entitled to purchase 5,000 of the said Common Shares on May 14 in each of the years 1963 to 1967, both inclusive, and must take up and pay for each such instalment of 5,000 Common Shares within five years of becoming entitled to purchase such instalment. To date Berko Devor has not taken up or paid for any of the said 25,000 Common Shares.

12. The Company is issuing to the holders of its Common Shares without par value of record at the close of business on March 12, 1965 rights, evidenced by fully transferable subscription warrants, to subscribe for one additional Common Share for each 25 Common Shares then held, at a subscription price of \$8.00 per share. The rights evidenced by the transferable subscription warrants will expire at 4:30 o'clock in the afternoon (Eastern Standard Time) on April 12, 1965, after which time unexercised warrants will be void. Fractions of Common Shares will not be issued but the subscription warrants may be split and may be sold or acquired to provide for the purchase of Common Shares.

The Common Shares are not being offered for sale in the United States of America or in any of the territories or possessions thereof and subscriptions will not be accepted from any person or his agent who appears to be, or the Company has reason to believe is, a resident of the United States of America or of any of the territories or possessions thereof.

Reference is made to the facing page of this prospectus for a statement of the maximum number of Common Shares that may be issuable upon the exercise of the subscription rights hereby offered.

Reference is hereby also made to the agreement with the Underwriters referred to in paragraph 16 hereof for the terms of the sale of such (hereinafter sometimes called the "Unsubscribed Common Shares") of the Common Shares covered by the subscription rights hereby offered as are not subscribed for pursuant to such rights. The Unsubscribed Common Shares and the 36,800 Common Shares issuable upon the exercise of the 920,000 rights referred to in paragraph 16 hereof, after being taken up by the Underwriters before or after the expiry of the period during which the rights must be exercised, may be offered for public or private sale by the Underwriters as principals at a price to the public of \$8.00 per share, and this prospectus also relates to the offering of such Common Shares by the Underwriters.

Any Common Shares acquired by the Underwriters upon the exercise of rights, other than the said 920,000 rights, may be offered by the Underwriters as principals for public or private sale, before or after the expiry of the period within which the rights are exercisable, at a price not to exceed \$8.50 per share.

On August 7, 1963, the Company issued, pursuant to an underwriting agreement dated July 10, 1963 as amended by an agreement dated July 23, 1963, to McConnell & Company Limited the \$1,500,000 principal amount of 6½% First Mortgage Bonds, Series A, referred to in paragraph 9 (a) hereof, for an aggregate price of \$1,417,500 and accrued interest from August 1, 1963 to date of delivery.

13. The estimated net proceeds to be derived from the sale of the Common Shares offered by this prospectus, on the basis of such Common Shares being fully taken up and paid for, is \$397,888 (such amount being subject to increase if, between the date hereof and the March 12, 1965, record date for the rights offering made hereby, share purchase warrants referred to in paragraph 9 (b) hereof are exercised or Series A Preference Shares are converted into Common Shares), less commission payable by the Company to its underwriters and legal, auditing, printing and miscellaneous expenses estimated at \$34,868.

**14. and 15.** The net proceeds to be derived by the Company from the sale of the Common Shares issuable upon the exercise of the rights offered by this prospectus and from the sale of the Common Shares issuable in accordance with the underwriting agreement referred to in paragraph **16** hereof, will be added to the working capital of the Company and be available for further expansion through the acquisitions of additional revenue producing real estate. There is no minimum amount which, in the opinion of the directors of the Company, must be raised by the issue of the securities offered hereby. Reference is made to paragraphs **13** and **16** hereof for a statement of the estimated net proceeds of the issue and the relevant particulars of the Underwriting Agreement. One of the principal purposes of the issue is the obtaining of wider distribution of the Common Shares of the Company in order to meet the distribution requirements of The Toronto Stock Exchange.

**16.** The Company under date of March 3, 1965 entered into an agreement (herein called the "Underwriting Agreement") with McConnell & Company Limited and Walwyn, Stodgell & Co. Limited (herein sometimes collectively called the "Underwriters") under which the Underwriters have agreed, upon and subject to certain conditions contained in the Underwriting Agreement, to purchase at the subscription price of \$8.00 per share all of the Common Shares covered by the rights offering referred to in paragraph **12** hereof not subscribed for pursuant to such rights offer. In the Underwriting Agreement the Underwriters have also agreed to use their best efforts to create during the period for the exercise of such subscription rights a market for the sale and purchase of such rights.

The holders of Common Shares referred to in paragraph **30** hereof have agreed to assign to the Underwriters forthwith upon their issue the 920,000 subscription rights to be issued to such holders. In the Underwriting Agreement the Underwriters have agreed to exercise sufficient of the rights so to be assigned to them and so to distribute the resulting Common Shares of the Company as to meet the distribution requirements of The Toronto Stock Exchange for the listing of the Common Shares in the capital of the Company as early as possible but in any event prior to April 15, 1965, and the Company has agreed that, as soon as such distribution requirements have been met, it will complete its application for the listing of its Common Shares on such Exchange and use its best efforts to have its Common Shares called for trading on such Exchange as soon as possible thereafter.

As consideration for the obligations assumed by the Underwriters under the Underwriting Agreement, the Company has agreed to pay to the Underwriters a commission of 50¢ per share for each Common Share covered by the rights offering referred to in paragraph **12** hereof, subject to the proviso that no commission whatsoever is payable to the Underwriters if the said distribution requirements are not met by April 15, 1965.

**17.** The provisions of the by-laws of the Company as to the remuneration of directors are as follows:

"The directors shall be paid such remuneration, if any, as the board may from time to time determine. Any remuneration so payable to a director who is also an officer or employee of the Company or who is counsel or solicitor to the Company or otherwise serves it in a professional capacity shall be in addition to his salary as such officer or to his professional fees as the case may be. In addition the board may by resolution from time to time award special remuneration out of the funds of the Company to any director who performs any special work or service for or who undertakes any special mission on behalf of the Company outside the work or services ordinarily required of a director by the Company. The directors shall also be paid such sums in respect of their out-of-pocket expenses incurred in attending board, committee or shareholders' meetings or otherwise in respect of the performance by them of their duties as the board may from time to time determine. No confirmation by the shareholders of any such remuneration or payment shall be required."

**18.** The aggregate remuneration paid by the Company to directors of the Company during its last financial year ended December 31, 1964, was \$18,600 and the aggregate amount estimated to be paid or payable by the Company during the current financial year to directors, as such, is \$19,800. The aggregate remuneration paid by the Company to officers of the Company who individually received or are entitled to receive remuneration in excess of \$10,000 per annum during its last financial year ended December 31, 1964, was nil, and the aggregate amount estimated to be paid or payable by the Company during the current financial year to officers of the Company, as such, who individually are entitled to receive remuneration in excess of \$10,000 per annum is nil.

**19.** No amount has been paid within the two preceding years or, except as stated in paragraph **16** hereof, is now payable by the Company as a commission for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any shares in or obligations of the Company. Reference is made to paragraph **12** hereof.

**20.** The Company has been carrying on business for more than one year.



**21. and 22.** No property has been purchased or acquired by the Company or is proposed to be purchased or acquired by the Company the purchase price of which is to be defrayed in whole or in part out of the proceeds of the securities offered by this prospectus or has within the last two years preceding the date hereof, or is to be, paid in whole or in part in securities of the Company. Except for transactions entered into in the ordinary course of operations or on the general credit of the Company, no property has been purchased or acquired or is proposed to be purchased or acquired by the Company the purchase or acquisition of which has not been completed at the date hereof.

**23.** No securities of the Company have been issued, or agreed to be issued, within the two years preceding the date hereof as fully or partly paid up otherwise than in cash except 31,015 Second Preference Shares issued on September 15, 1964 as fully paid and non-assessable shares to holders of the Common Shares of the Company, and except that under the terms of the warrants referred to in paragraph 9 (b) hereof a warrant holder is entitled to receive at the time he exercises his warrants, in addition to the Common Shares resulting from such exercise, stock dividends on each such Common Share equal to the aggregate of the stock dividends which would have been declared and paid on each Common Share if it had been outstanding throughout the period from the date of such warrants, November 15, 1961, to the date of his exercise thereof. As disclosed more fully in clause (9) (d) of paragraph 8 hereof, a holder of Series A First Preference Shares is entitled to receive at the time he exercises his right of conversion, in addition to the Common Shares resulting from such conversion, stock dividends equal to the aggregate of the stock dividends which would have been declared and paid on each such Common Share if it had been outstanding from the date of the issuance of such Series A First Preference Shares. Reference is made to paragraph 32 hereof.

**24.** No obligations are offered by this prospectus.

**25.** No services have been rendered or are to be rendered to the Company which are to be paid for by the Company wholly or partly out of the proceeds of the securities offered hereby or have been within the last two preceding years or are to be paid for by securities of the Company.

**26.** No amount has been paid within the two years preceding the date hereof or is intended to be paid to any promoter of the Company as such.

**27.** The Company has not entered into any material contract within the two years immediately preceding the date hereof, other than contracts entered into in the ordinary course of business carried or intended to be carried on by the Company, except the agreement dated July 10, 1963, between the Company and McConnell & Company Limited referred to in paragraph 12 hereof and the Underwriting Agreement referred to in paragraph 16 hereof.

Copies of the said agreement and of the Trust Deeds relating to the Series A Debentures and the Series A Bonds of the Company may be inspected at the head office of the Company during ordinary business hours during the period of primary distribution to the public of the securities offered hereby.

**28.** The Company does not propose to acquire any property in which any director of the Company has an interest.

**29.** The Company has been carrying on business for more than three years.

**30.** No persons are known who by reason of beneficial ownership of securities of the Company or any agreement in writing are in a position to or are entitled to elect or cause to be elected a majority of the directors of the Company. Reference is made to paragraph 8 (e) hereof for a statement of the voting rights attaching to the First Preference Shares. Alex Jack Rubin and Harry Rubin and members of their immediate families own beneficially, directly or indirectly, an aggregate of 920,000 of the 1,243,400 issued and outstanding Common Shares in the capital of the Company.

**31.** No securities of the Company are held in escrow.

**32.** All regular quarterly dividends and two participating dividends have been paid on the First Preference Shares. A stock dividend of 1/40 of one Second Preference Share was paid on each Common Share of the Company on September 15, 1964, and regular quarterly dividends on such Second Preference Shares have been paid. A further dividend of 1/40 of one such Second Preference Share has been declared payable on March 15, 1965 on each Common Share of record on February 26, 1965.

**33.** There are no material facts not disclosed in the foregoing.

Dated this 11th day of March, 1965.

The foregoing constitutes full, true and plain disclosure of all material facts in respect of the offering of securities referred to above as required by Section 39 of The Securities Act (Ontario), and there is no further material information applicable other than in the financial statements or reports where required or exigible.

#### Directors

(Signed) R. K. McCONNELL

(Signed) H. RUBIN

(Signed) JOHN R. CAMPBELL

(Signed) ALEX J. RUBIN

(Signed)

DONALD M. DEACON

DISQUE D. DEANE

SAMUEL GOTFRID

IAN MACFEE ROGERS

WILLIAM P. WALKER

(Signed)

by their attorney

JOHN R. CAMPBELL

To the best of our knowledge, information and belief, the foregoing declarations constitute full, true and plain disclosure of all material facts in respect of the offering of securities referred to above as required by Section 39 of The Securities Act (Ontario), and there is no further material information applicable other than in the financial statements or reports where required or exigible. In respect of matters which are not within our knowledge we have relied upon the accuracy and adequacy of the foregoing.

#### Underwriters

McCONNELL & COMPANY LIMITED

by (Signed) H. O. WHILLANS

WALWYN, STODGELL & CO. LIMITED

by (Signed) JOHN C. STODGELL

The following are the names of every person having an interest, either directly or indirectly, to the extent of not less than 5% in the capital of McConnell & Company Limited: R. K. McConnell, John Glover and H. O. Whillans; and in the capital of Walwyn, Stodgell & Co. Limited: J. P. Walwyn, S. J. Stodgell, J. C. Stodgell, S. B. Heath, N. A. Mitchell and R. J. Appleyard.



DATE OF ISSUE	NO. OF SHARES ISSUED	AMOUNT REALIZED PER SHARE	TOTAL AMOUNT REALIZED	PURPOSE OF ISSUED
Aug. 15 1964 to Mar. 26, 1965	3,825	5.00	19,125	Issued on exercise of Warrants. Conversion of 120 Series A First Preference Shares.
Mar. 12, 1965	300	Nil	Nil	
Mar. 12, 1965 to Mar. 26, 1965	33,086	7.50	248,145	Issued on exercise of rights and to provide working capital.

7. LISTING ON OTHER STOCK EXCHANGES

None of the securities of the Company are listed on any other Stock Exchange. The Series A First Preference Shares were listed on The Toronto Stock Exchange on January 22, 1962.

8. STATUS UNDER SECURITIES ACTS

The offering of the Common Shares without par value referred to in the annexed prospectus has been qualified for sale to the public in Ontario. Under a prospectus dated February 11, 1965, 200,000 issued and outstanding Common Shares without par value were qualified for sale to the public in Ontario. Under a prospectus dated November 24, 1961 200,000 Common Shares without par value, being 10,000 issued and outstanding shares and 190,000 treasury shares, were qualified for sale to the public in Ontario, Quebec and Manitoba.

9. FISCAL YEAR

The fiscal year of the Company ends on December 31, in each year.

10. ANNUAL MEETING

Under the by-laws of the Company, the annual meeting of shareholders will be held on such day in each year as the board of directors of the Company from time to time may determine. The last annual meeting was held May 22, 1964.

11. HEAD OFFICE

The head office of the Company is located at 12 Sheppard Street, Toronto 1, Ontario, Canada.

12. TRANSFER AGENTS AND REGISTRARS

National Trust Company, Limited at its offices at Toronto, Montreal and Winnipeg is the Transfer Agent and Registrar for the Common Shares and Series A First Preference Shares in the capital stock of the Company.

13. TRANSFER FEE

No fee is charged on the transfer of the Common Shares or the Series A First Preference Shares in the capital stock of the Company other than customary security transfer tax.

14. AUDITORS

The Auditors of the Company are Messrs. Perlmutter, Orenstein, Giddens, Newman & Kofman, Chartered Accountants, 121 Richmond Street West, Toronto 1, Ontario.

15. DIRECTORS

John Russell Campbell, Q.C.	Solicitor	110 Dunvegan Road, Toronto, Ontario.
Donald Mackay Deacon	Investment Dealer	Glenburn Farms, Unionville, Ontario.
Disque Dee Deane	Investment Banker	16 East 93rd Street, New York, N.Y., U.S.A.
Samuel Gotfrid, Q.C.	Solicitor	163 Old Forest Hill Road, Toronto, Ontario.
Robert Kendall McConnell	Investment Dealer	5 Beaumont Road, Toronto, Ontario.
Ian MacFee Rogers, Q.C.	Solicitor	2 Addington Place, Willowdale, Ontario.
Alex Jack Rubin	Executive	47 Hilltop Road, Toronto, Ontario.
Harry Rubin	Executive	126 Dunvegan Road, Toronto, Ontario.
William Petty Walker, O.B.E.	Executive	20 Avondale Road, Toronto, Ontario.

16.

# OFFICERS

Alex Jack Rubin	President and Chairman of the Board	47 Hilltop Road, Toronto, Ontario.
Harry Rubin	Executive Vice-President and Treasurer	126 Dunvegan Road, Toronto, Ontario.
Berko Devor	Senior Vice-President and Controller	31 Vesta Drive, Toronto, Ontario.
Donald H. Ross	Vice-President— Industrial Development	107 Citation Drive, Willowdale, Ontario.
Ian MacFee Rogers, Q.C.	Secretary	2 Addington Place, Willowdale, Ontario.

Pursuant to a resolution duly passed by its Board of Directors the applicant company hereby applies for listing of the above mentioned securities on The Toronto Stock Exchange, and the undersigned officers thereof hereby certify that the statements and representations made in this application and in the documents submitted in support thereof are true and correct.

## REVENUE PROPERTIES COMPANY LIMITED

by "ALEX J. RUBIN"  
President.

{ Corporate  
Seal }

by "HARRY RUBIN"  
Executive Vice-President  
and Treasurer.

## CERTIFICATE OF UNDERWRITERS

To the best of our knowledge, information and belief, all of the statements and representations made in this application and in the documents submitted in support thereof are true and correct.

McCONNELL & COMPANY LIMITED  
by "R. K. McCONNELL"

WALWYN, STODGELL & CO. LIMITED  
by "J. C. STODGELL"

## DISTRIBUTION OF COMMON STOCK AS OF MARCH 26, 1965

Number		Shares
32	Holders of 1 — 99 share lots .....	1,038
188	" " 100 — 199 " " .....	19,102
62	" " 200 — 299 " " .....	12,711
7	" " 300 — 399 " " .....	2,112
7	" " 400 — 499 " " .....	2,800
19	" " 500 — 999 " " .....	11,264
40	" " 1000 — up " " .....	1,228,184
<u>355</u>	Shareholders	<u>1,277,211</u>
	Total shares	<u>1,277,211</u>